



The Foreign-Trade Zones Board

Application for Distribution Subzone

An application letter (as described below) and this form – with **attachments**, as described in several sections below – meet the FTZ Board's application requirements. A sample completed application on our web site gives an idea of the type of information needed. If you have questions, please contact the FTZ Board staff at (202) 482-2862.

The FTZ Regulations place the burden of proof on the applicant, so please respond to each item completely based on the information available to you. (This form includes a continuation page if you need extra space to answer questions completely.) Note that for industry/market information, you may rely on your expert knowledge of the industry in addition to traditional, published resources.

APPLICATION LETTER **including Executive Summary**

1. This application form, when completed, will constitute the "exhibits" for your application. The core of the application is the required letter from the FTZ grantee¹ transmitting the application form (exhibits) to the FTZ Board. The letter from the grantee should identify your company and summarize the subzone sites, proposed FTZ activity, and why approval of that activity would be beneficial for the United States overall.

ECONOMIC JUSTIFICATION

2. Explain in detail why approval of a subzone for your company would be beneficial overall to the United States:

¹ The letter must be currently dated and signed by an authorized officer of the grantee corporation.

3. Describe problems, challenges or strengths facing your company and the U.S. industry. (For example, have production, employment, and operating profits been falling or rising? Also address any other relevant factors.)
4. List total employment company-wide: _____ and total employment at your proposed subzone: _____
5. How has your company's and plant's employment changed in the last 5 years?
6. Will FTZ-related savings likely lead to increased, stable, or decreased employment at your facility? Explain.
7. Briefly describe the activity which you are seeking to conduct under FTZ procedures. Include any value added activities that may occur at the facility(ies) (*e.g.* testing, repackaging, repair).

8. Discuss why your operation cannot be accommodated in your area's public FTZ facilities.
9. Does your company make these types of products in the U.S.? Explain.
10. Does your company have other facilities (in the U.S. or overseas) that conduct the same or similar distribution activity? If yes to either, please list the other locations and explain.
11. What is the percent of U.S. value added (i.e., the difference between the value of foreign goods received at the subzone and the value of finished products shipped from the subzone) on the products within the proposed subzone? _____%
12. By value, what percent of the product brought into the facility(ies) is imported? _____%
13. Are the products that you import also available from U.S. manufacturers? Explain.
14. Will FTZ -related savings affect your company's purchasing patterns? Explain.
15. Indicate the current size of the facility(ies) for which you are seeking FTZ status. (Indicate the units of measure used.) _____

16. What is your company's current share of the U.S. market for the type of products you want to import under FTZ procedures? _____ % (approximate)
17. List your major competitors in the U.S. market and their approximate U.S. market shares.
18. Are your competitors producing in the U.S. or abroad? Explain and give specific examples.
19. What is imports' share of the U.S. market for the type of products you want to import under FTZ procedures? _____ % (approximate)
20. Has imports' share of the U.S. market changed in the past 5-10 years? How? Why?
21. How would approval of your proposed FTZ activity affect your domestic competitors?
22. If you are granted authority for subzone status, would other U.S. facilities in your industry be likely to seek access to zone procedures? Explain.
23. What are the competitive factors in your industry? Any other factors unique to your industry?

24. What percent of your proposed FTZ activity is export-related? _____ %
(approximate)
25. Do you know your approximate share of the world-wide market for the products you want to import under FTZ procedures? Yes ____ No ____ If yes, list it. _____ %
26. List your major competitors in the world market and their approximate world market shares.
27. Briefly describe your company's background and current situation (including annual sales value or other indicator(s) of company's size and scope of operations).
28. Please list the main internet address(es) for information about your company and product(s).
29. Are you aware of any studies or reports that have been done recently regarding your industry or industry sector? If yes, please list the titles and authors/publishers below – you do not need to submit the studies/reports with the application. Note: The FTZ Staff may later ask for your assistance in obtaining a copy of these publications as part of the Staff's case-related research.

➤ **FTZ-RELATED SAVINGS:**

30. What are your total estimated annual FTZ-related savings:
31. Provide the percentage breakdown for those savings into the following categories:

Logistical/Paperwork¹ _____%

Exports _____%

¹ e.g., Merchandise Processing Fee, broker/handling fees, weekly entry

Duty Deferral _____%

Scrap/Waste _____%

32. Provide any additional explanation or special features of the above savings that may be relevant to the review or implementation of zone procedures (*e.g.*, formulas, Customs rulings, scrap as percentage of imported product).

33. Provide an estimated cost figure for operating your proposed subzone each year. (Components of your annual operating cost could include record keeping/inventory control, fees to the zone grantee, etc.) \$ _____ per year.

34. A small number of states (*e.g.*, Texas, Ohio) assess local taxes on business inventories. The Foreign-Trade Zones Act allows states to exempt merchandise from such taxes in FTZs. Does your state have an inventory tax or "personal property tax" for which collections will be affected by your proposed FTZ authority? Yes ____ No ____

If yes:

- a. Explain and give an estimated amount for projected annual FTZ-related savings:

AND

- b. Attach correspondence from the affected parties (*e.g.*, local school board) indicating their views on the impact of your proposed activity.

SITE DESCRIPTIONS

► SUBZONE SITE(S)

35. For each site of your proposed subzone, complete a site-information box below:

<div>SITE # _____</div> <div>Address:</div> <div></div> <div></div> <div></div> <div>Site Acreage:</div> <div></div> <div>Sq. Ft. of Enclosed Space:</div> <div></div> <div>Description of Buildings:</div> <div></div> <div></div> <div></div> <div></div> <div>Current or Planned Activities:</div> <div></div> <div></div> <div></div> <div>Do you own this site? Yes ____ No ____</div>	<div>SITE # _____</div> <div>Address:</div> <div></div> <div></div> <div></div> <div>Site Acreage:</div> <div></div> <div>Sq. Ft. of Enclosed Space:</div> <div></div> <div>Description of Buildings:</div> <div></div> <div></div> <div></div> <div></div> <div>Current or Planned Activities:</div> <div></div> <div></div> <div></div> <div>Do you own this site? Yes ____ No ____</div>
<div>SITE # _____</div> <div>Address:</div> <div></div> <div></div> <div></div> <div>Site Acreage:</div> <div></div> <div>Sq. Ft. of Enclosed Space:</div> <div></div> <div>Description of Buildings:</div> <div></div> <div></div> <div></div> <div></div> <div>Current or Planned Activities:</div> <div></div> <div></div> <div></div> <div>Do you own this site? Yes ____ No ____</div>	<div>SITE # _____</div> <div>Address:</div> <div></div> <div></div> <div></div> <div>Site Acreage:</div> <div></div> <div>Sq. Ft. of Enclosed Space:</div> <div></div> <div>Description of Buildings:</div> <div></div> <div></div> <div></div> <div></div> <div>Current or Planned Activities:</div> <div></div> <div></div> <div></div> <div>Do you own this site? Yes ____ No ____</div>

36. Provide a "Legal Descriptions" **attachment** with the appropriate legal description for each site (with labels tying each description to the site number from the site-information boxes).

➤ **CBP ADJACENCY**

37. Is your proposed subzone adjacent to a U.S. Customs and Border Protection port of entry, or have you discussed with CBP an alternative oversight procedure? Explain.

➤ **ENVIRONMENTAL IMPACT**

38. For your proposed subzone site(s), indicate local zoning and status of any applications for construction approvals:
39. Are there any land use issues relating to your proposed site(s)? Will the use of FTZ procedures change the physical aspects of the plant or its operation? If yes, explain.
40. Is FTZ status or the use of FTZ procedures a requirement or a precondition for the proposed activity or construction at the plant? If yes, explain.

MAPS

Provide a "Maps" **attachment** with the following items:

41. Provide a local/state map indicating the location of the subzone site(s).

42. For each site of your proposed subzone, you must provide a detailed street map.
43. For each subzone site, you must provide a detailed drawing of that site showing zone boundaries in red with dimensions.

OPERATION AND FINANCING

44. For any proposed subzone sites that you do not own, provide a "Site Ownership" **attachment** with documentation demonstrating your right to use the sites in question.
 45. Describe the physical security measures that you will use for your subzone sites.
-
46. Do you commit to work with Customs & Border Protection, as appropriate, to meet future CBP requirements for its automated systems (e.g., ACS, ACE)? Yes ____ No ____

LEGAL AUTHORITY FOR APPLICATION

47. Indicate with a check mark below which of the two alternatives you are submitting:
 - a. ____ Provide a reference to an application from the same grantee within the last five years which included copies of: 1) the state's enabling legislation and 2) pertinent sections of the zone grantee's charter or organization papers (along with evidence of current standing for grantees that are non-public corporations). Also indicate that there has been no change in those documents since the submission of that earlier application:

OR

- b. ____ Attach as part of "Appendix 1" to this application: 1) a certified copy of the state enabling legislation regarding FTZs and 2) pertinent sections¹ of the zone grantee's charter or organization papers, along with evidence of current standing for grantees that are non-public corporations.
48. In the "Legal Authority for Application" **attachment**, include a certified copy of a resolution authorizing the grantee official to sign the application.